

IN THE UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF VIRGINIA

Alexandria Division

UNITED STATES OF AMERICA)	Criminal Docket No.
)	
)	Counts 1-14: 18 U.S.C.
)	§641 (Embezzlement
v.)	Of U.S. Government Property
)	In Excess Of \$1,000)
)	
WALTRAUD "TRUDY" ALLOWAY)	Count 15: 18 U.S.C. §1957(a)
aka: WALTRAUD JACKSON)	(Money Laundering)
)	
)	Notice of Forfeiture
Defendant)	

INDICTMENT

April 2002 Term at Alexandria

THE GRAND JURY CHARGES THAT AT ALL TIMES MATERIAL:

I. INTRODUCTION

1. USAID was an agency of the United States that extends United States government assistance to other countries recovering from disaster, struggling with poverty, or engaging in democratic reforms. Receiving overall policy guidance from the Department of State, USAID works to support long-term, equitable economic growth and to advance United States foreign policy objectives. Pursuant to its stated mission, USAID has country offices known as "Missions" in over 80 countries worldwide.

2. Datex was a for-profit corporation with headquarters in Falls Church, Virginia. Datex also maintained overseas offices in Africa. Since its inception Datex has received approximately

99 per cent of its funds under contract with USAID.

3. In 1996 Datex was awarded a \$11.5 million contract from the USAID Mission at its Regional Center for Southern Africa, located in Botswana. Under the Regional Center for Southern Africa contract (hereinafter the "RCSA contract"), which ended in 2000, Datex was obligated to provide administrative and logistical support services to the Regional Center for Southern Africa. As part of its duties Datex was obligated to disburse grants to various governmental and non-governmental regional organizations. The total grant budget under the RCSA contract was approximately \$5.4 million. Initially, Datex disbursed grant funds and then obtained reimbursement. But in approximately July 1997 funding for the grants began under a letter of credit maintained and managed by the USAID Office of Financial Managment in Washington, D.C. In approximately December 1998, management of the letter of credit was transferred to the United States Department of Health and Human Services.

4. The defendant WALTRAUD "TRUDY" ALLOWAY, also known as WALTRAUD JACKSON, resided in Sterling, Virginia. From 1996 until May 2000 Datex employed defendant ALLOWAY as its chief financial officer, responsible for Datex's finance, personnel, and facilities. As required by the RCSA contract, defendant ALLOWAY was also responsible for filing reports with the USAID Office of Financial Managment and later with the United States Department

of Health and Human Services. Besides her full time employment with Datex, defendant ALLOWAY owned a company known as Aftermath Associates.

5. When Datex drew funds under the letter of credit to implement the RCSA contract, Datex employed bank accounts at Signet Bank (which later became First Union Bank) and NationsBank (which later became Bank of America). Under its RCSA contract, Datex was required to file with the USAID Office of Financial Management and later with the Department of Health and Human Services quarterly reports which certified the amount of money Datex had drawn from the letter of credit during the quarter and had dispersed in the form of grants.

II. THE MANNER, MEANS AND SCOPE OF THE EMBEZZLEMENT

6. Beginning in approximately June 1998 and continuing until approximately April 2000, within the Eastern District of Virginia, the defendant WALTRAUD "TRUDY" ALLOWAY, also known as WALTRAUD JACKSON, knowingly and willfully embezzled and without authority converted to her personal use approximately \$225,000 of USAID funds, temporarily in the custody of Datex for distribution under the RCSA contract.

7. It was part of the embezzlement scheme that the defendant ALLOWAY, without authority, would and did draw Datex checks on the Signet (First Union) and NationsBank (Bank of America) accounts, making the checks payable to her company

Aftermath Associates and depositing them into an Aftermath Associates account the defendant controlled at Southern Financial Bank in the Eastern District of Virginia. It was also a part of the scheme for the defendant ALLOWAY, without authority, to transfer Datex funds from the Bank of America account by wire to the defendant's Aftermath Associates account at Southern Financial Bank.

8. In an effort to conceal the embezzlement, when the banks periodically returned to Datex the checks drawn on its accounts, including the unauthorized checks made payable to Aftermath Associates, defendant ALLOWAY removed the unauthorized checks from the records maintained at Datex. On occasion the defendant ALLOWAY also "whited out" the name of the recipient of the unauthorized Datex wire transfers on copies of Datex Bank of America statements.

III. ACTS OF EMBEZZLEMENT

9. On or about the dates set forth below, in the Eastern District of Virginia, defendant

WALTRAUD "TRUDY" ALLOWAY, aka: WALTRAUD JACKSON, an employee of Datex, did knowingly embezzle and without authority convert to her own use money in excess of \$1,000 belonging to the United States, specifically, to USAID, that was in the temporary custody of Datex for distribution in accordance with the RSCA contract, in that the defendant either deposited by

check or transferred by wire Datex funds into her Aftermath Associates account at Southern Financial Bank as set forth below:

	<u>Date of Deposit</u>	<u>From</u>	<u>Amount</u>
COUNT ONE:	June 18, 1998	Signet Bank	\$42,852
COUNT TWO:	August 8, 1998	NationsBank	\$4,200
COUNT THREE:	September 26, 1998	Signet Bank	\$18,447
COUNT FOUR:	November 25, 1998	Signet Bank	\$8,050
COUNT FIVE:	January 26, 1999	Signet Bank	\$9,200
COUNT SIX:	February 3, 1999	NationsBank	\$5,850
COUNT SEVEN:	March 17, 1999	NationsBank	\$8,200
COUNT EIGHT:	March 22, 1999	NationsBank	\$9,550
COUNT NINE:	April 19, 1999	NationsBank	\$9,550
COUNT TEN:	June 9, 1999	NationsBank	\$15,200
COUNT ELEVEN:	June 26, 1999	NationsBank	\$18,200
COUNT TWELVE:	July 10, 1999	NationsBank	\$15,200
COUNT THIRTEEN:	October 26, 1999	Bank of America	\$35,000
COUNT FOURTEEN:	April 18, 2000	Bank of America	\$25,000

(All in violation of Title 18, United States Code, Section 641)

COUNT FIFTEEN
(Money Laundering)

1. Paragraphs 1 through 4 of Count 1 are hereby realleged and incorporated as though set forth in full herein.

2 On or about October 29, 1998, in the Eastern District of Virginia, the defendant

WALTRAUD "TRUDY" ALLOWAY, aka: WALTRAUD JACKSON, did knowingly engage and attempt to engage in a monetary transaction in criminally derived property that was of a value greater than \$10,000, and was derived from a specified unlawful activity, that is, embezzlement and unauthorized conversion of USAID funds in excess of \$1000, in violation of Title 18, United States Code, Section 641, as set forth in counts 1, 2, and 3 of this indictment, in that the defendant did deliver \$43,560 to Stewart Title as part of the defendant's \$216,458 purchase price for the purchase of a residential dwelling at 20923 Sandian Terrace, Sterling, Virginia, in Loudon County.
(In violation of Title 18, United States Code, Section 1957(a)).

NOTICE OF FORFEITURE

The defendant, WALTRAUD "TRISH" ALLOWAY, also known as WALTRAUD JACKSON, if convicted of Count 15 of this Indictment, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(1), any property, real or personal, involved in such offense or traceable to such property. This property includes, but is not limited to the defendant's residence at 20923 Sandian Terrace, Sterling, Virginia, 20165, with the following legal description: Lot Twenty Five (25), in the subdivision known as Section 19C, "Potomac Lakes," as the same is duly dedicated, platted, and subdivided and recorded in Deed Book 1516 at page 519, among the land records of Loudon County, Virginia.

A TRUE BILL:

F O R E M A N

Paul J. McNulty
United States Attorney

Stephen P. Learned
Assistant U. S. Attorney

Justin W. Williams
Assistant U. S. Attorney
Chief, Criminal Division